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Assistant Director for Research and Reports

29 August 1956

Chief, Materials Division

Impact of Proposed Intelligence Support for Economic Defense  
Activities

1. It is understood that we may be called upon to provide intelligence support for a re-evaluation of items now on International Lists I and II, using the proposed "nuclear warfare concept". At request, we are submitting this memorandum to discuss the probable impact of this support on our present program.

2. The impact of the proposed support would not be uniform throughout the Division. It would not affect the Agriculture and Solid Fuels Branches. The Electric Power Branch might be called upon to provide some support to I/EE, but this support can easily be managed. The Ferrous Metals Branch estimates that 150 research hours would be required, but that the time spent would not delay any presently scheduled projects. The other three branches would require an estimated 2300 hours. Some of these hours could come from time set aside for unscheduled projects; the balance would be used at the expense of presently scheduled projects. The situation by branch is as follows:

a. Chemicals Branch

This Branch would require an estimated 1000 hours to provide the necessary support. This estimate may be on the high side, but probably not by a great deal. Two Branch projects would definitely be delayed, one on Plastics in the Soviet Bloc (22.1568), and another on Insecticides in the USSR (22.1567). Other projects would probably also be delayed, but we cannot now determine which they would be.

b. Nonferrous Metals and Minerals Branch

This Branch would require an estimated 600 hours to provide the necessary support. Providing this support would delay two Branch papers -- one on Bloc Trade in Nonferrous Metals (24.1574), and another on Copper in the USSR (24.869). It might also threaten our contributions to the China NIE and to the North Korea NIS. It

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is entirely possible that there are nonferrous metals which would qualify under the nuclear warfare concept that we are not now aware of (see discussion of problems below). If so, the impact would be correspondingly greater.

**c. Petroleum Branch**

This Branch would require an estimated 700 hours to provide the necessary support. If a considerable amount of time must be spent in September, then an Area-wide project on the Availability of Primary Energy (20.832), and an NIS on Bulgaria would be delayed. If the bulk of the work can come after September, these projects can be finished, but two others would be delayed at least 30 days each -- namely, our contribution to the North Korea NIS and to an Area-wide project on Bloc Prices and Ruble-Dollar Ratios. Others might also be affected, but we cannot now determine which they would be.

3. The following major problems remain unresolved and would probably have to be tackled before any serious research could be mounted.

a. It would be necessary to identify all commodities, particularly metals and fuels, which make direct and significant contributions to Bloc nuclear warfare capabilities. Since we are not knowledgeable on the subject of atomic energy, we cannot be sure that we are now aware of all the possibilities.

b. There is a serious lack of data on a number of commodities which would be candidates for embargo. Titanium is a good example.

c. It would be necessary to decide under this or any other concept how far back in the production process one should go. That is, aircraft would clearly be embargoed -- but would we also embargo the machinery used to make aircraft and all the metals used in its manufacture?

d. It would be desirable to insure that all divisions and branches use the same criteria and take the same approach toward the necessary research. I understand that this was not done in 1954.

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e. It would be desirable, particularly if we are asked to reach conclusions as well as to provide information, to establish whether an embargo should depend on exclusive use in activities which contribute to nuclear warfare capabilities, or whether partial use is sufficient to justify embargo. It also would be desirable to decide whether we are talking about present capabilities, future capabilities, or both.

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